

9-217. ESCROW ACCOUNT.

THE INCORPORATORS OF A SAVINGS AND LOAN ASSOCIATION SHALL EXECUTE AND DELIVER IN ESCROW TO THE DIVISION DIRECTOR ANY ASSIGNMENT OR PLEDGE OF FREE SHARE ACCOUNTS IN THE ASSOCIATION THAT THE DIRECTOR REQUIRES AS A GUARANTY AGAINST:

- (1) ANY OPERATING DEFICIT; AND
- (2) ANY LOSSES THAT EXCEED OTHER RESERVES.

REVISOR'S NOTE: This section is new language derived without substantive change from CA § 6-204(c).

"Division Director" and "savings and loan association" are defined in § 9-101 of this title.

9-218. INITIAL GENERAL RESERVE FUND.

(A) ACCOUNT ESTABLISHED.

THE INCORPORATORS OF A SAVINGS AND LOAN ASSOCIATION SHALL DELIVER TO THE CREDIT OF THE CHAIRMAN OF THE INCORPORATORS, IN CASH, AN AMOUNT EQUAL TO 6 PERCENT OF THE REQUIRED INITIAL SUBSCRIPTION FOR FREE SHARE ACCOUNTS AS AN INITIAL GENERAL RESERVE FUND.

(B) TERMINATION OF INITIAL GENERAL RESERVE FUND.

THE INITIAL GENERAL RESERVE FUND SHALL BE MAINTAINED UNTIL THE FIRST OF THE FOLLOWING OCCURS:

- (1) EXPIRATION OF A PERIOD OF 5 YEARS; OR
- (2) THE GENERAL RESERVE FUND, LESS THE INITIAL GENERAL RESERVE FUND, REACHES AT LEAST 6 PERCENT OF THE AGGREGATE WITHDRAWAL VALUE OF THE FREE SHARE ACCOUNTS.

REVISOR'S NOTE: This section is new language derived without substantive change from CA § 6-204(b) and Art. 23, § 161M(a) (2).

In subsection (a) of this section, the term "deliver" is substituted for "pay" for consistency in similar transactions. See § 9-216 of this subtitle and its revisor's note.

In subsection (b) (2) of this section, the term "aggregate" withdrawal value is added for clarity.

Former Art. 23, § 161M(a) (2) provided that the 6 percent amount be "credited" to the general reserve fund for 5 years or until the general
